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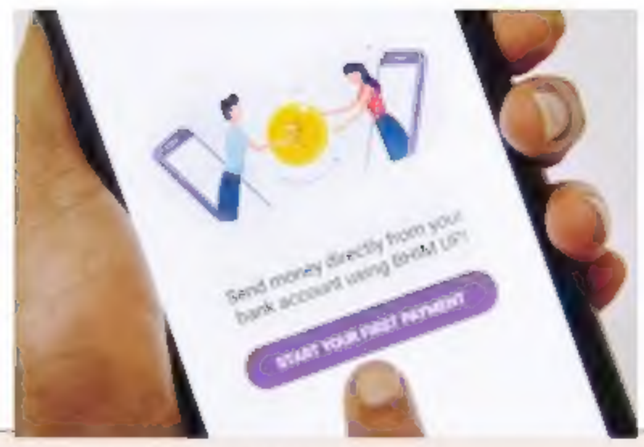

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REFUND UPI CHARGES TAKEN SINCE JAN 1: CBDT TO BANKS

I-T dept on Sunday asked banks to refund charges collected on transactions carried out through RuPay cards or BHIM-UPI

PRESCRIBED ELECTRONIC MODES

According to Section 269SU in the Finance Act 2019, businesses having sales/turnover/gross receipts of more than ₹50 crore must provide facilities for accepting payments through prescribed electronic modes. In December 2019, debit cards powered by RuPay, BHIM-UPI and UPI QR Code were notified as prescribed electronic modes

VIOLATORS TO BE PENALISED

- The CBDT said it has received representations that some banks are collecting charges on transactions carried out through UPI
- It asked banks not to levy such charges in future, warning that such violations are a breach of Section 10A of the Payment and Settlement Systems Act and Sec 269SU of the Income Tax Act

1.5 billion

NUMBER OF TRANSACTIONS CLOCKED BY UPI-BASED PAYMENT SYSTEM IN JULY

CHENNAI • MADURAI • VIJAYAWADA • BENGALURU • KOCHI • HYDERABAD • VISAKHAPATNAM • COIMBATORE • KOZHIKODE • THIRUVANANTHAPURAM • BELAGAVI • BHUBANESWAR • SHIVAMOGGA • MANGALURU • TIRUPATI • TIRUCHY • TIRUNELVELI • SAMBALPUR • HUBBALLI • DHARMAPURI • KOTTAYAM • KANNUR • VILLUPURAM • KOLLAM • WARANGAL • TADEPALLIGUDEM • NAGAPATTINAM • THRISSUR • KALABURAGI

Fiscal deficit now forecast at 7 per cent

EXPRESS NEWS SERVICE
@ New Delhi

GIVEN the bleak revenue collection scenario amid Covid-19-induced economic disruption and higher expenses to boot, the Central government's fiscal deficit is set to widen to 7% in the current financial year, says a new report.

This is double the government's target for FY21.

The situation could be exacerbated by the fact that states have been allowed to borrow more to make up for the shortfall in GST revenue. The consolidated fiscal deficit of the Centre and states "could reach 12% of the GDP", warns the report by Brickwork Ratings.

Fiscal deficit is the difference between the government's total income and total expenditure.

The government is facing a double whammy. On the one hand, the nationwide lockdown imposed to arrest the spread of the coronavirus has badly hit revenue collection. On the other, expenditure shot up, taking deficit to record levels of over ₹6.62 lakh crore in the April-June quarter, which was 83.2% of the target for the whole financial year.

Fiscal deficit had already reached a seven-year high at 4.6% of the GDP in 2019-20. Going forward, the numbers don't look promising, as GST shortfall is expected at ₹3 lakh crore while borrowing could be higher than expected. Emkay Global Financial Services pegs fiscal deficit to rise to over 6.8% of the GDP.

Five of the country's largest state-run banks have reported the biggest fall in profits in about a decade, along with rise in NPAs

Bad loan load bleeds mega Chinese banks

EXPRESS NEWS SERVICE

IF what's happening with China's banks envelops into an Asian trend, then India has much to worry.

On Sunday, Chinese lenders disclosed two unsettling developments. One, China's five largest state-run banks turned in their biggest profit falls in at least a decade, alongside an increase in NPAs during Q2. Two, four of them parked significant sums towards provisions against bad loans to brace for future losses, courtesy coronavirus and the risk of uncertainty that's likely to be transmitted to the banking system.

This is a notable departure from Q1, when Chinese banks bucked the global trend punching in enviable profits and steady bad loans. It also gives us a glimpse into the pandemic and the economic slowdown's impact on financial institutions.

NPAs shot up at the big five Chinese banks — four of which figure among the world's top ten — during Q2, compelling them to increase their provisioning. According to data from the China Banking and Insurance Regulator Commission, overall net profit of China's commercial banks plunged 9.4% during the first six months of 2020. These include the Agricultural Bank of China, China Construction Bank Corp, Bank of Communications Co, Bank of China and Industrial and Commercial Bank of China.

Back home, Indian banks seem to have all the trappings of looming trouble. RBI has already bugled a warning that NPAs may shoot up to 14.5% in FY21 from 8.5% in FY20. The actual rot may manifest much later thanks to the loan restructuring scheme for borrowers to tide over the current crisis.

Initial estimates say India's state-run banks may need ₹2 lakh crore over the next two years. Of this, ₹1 lakh crore is to build loan-loss provisions to 70% of NPAs and a similar amount to grow loans 8-10% annually, faster than the 4% seen in FY20, according to Moody's. But uncertainty surrounding growth recovery and the ongoing clean-up of balance sheets were making it difficult for banks to raise equity from markets.

India Goes Local, BSY Goes Koppal: Karnataka's Do-It-Yourself Doll

EXPRESS NEWS SERVICE
@ Bengaluru

NO sooner than Prime Minister Narendra Modi spoke of making India the world's toy manufacturing hub as part of his 'vocal for local' push, Karnataka's Koppal Toy Cluster became a national talking point. During his 'Mann Ki Baat' on Sunday, PM Modi pushed for toy manufacturing clusters in the country giving a call to "team up for toys". Moments later, Chief Minister B S Yediyurappa tweeted about the Koppal Toy Cluster and its intended capacity to create 40,000 jobs in five years.

"In line with PM @ narendramodi's vision of #VocalForLocal & boosting toy manufacturing, Koppala will have India's first toy manufacturing cluster. With the eco-system to support toy cluster in place, this 400-acre SEZ will have top-class infra & generate 40,000 jobs in 5 years," Yediyurappa tweeted.

He shared an infographic with details of what the Koppal cluster can achieve, including having the credit of being India's first toy manufacturing cluster. It even said that the market size of the cluster will be over Rs 2,300 crore by 2023. P5, 9

EXPRESS READ

India conducts record single-day Covid tests

New Delhi: India on Sunday conducted a record of over 10.5 lakh Covid-19 tests on a single day, taking the total till date to 4.14 crore. P9

KIA COO CALLS IT QUITS

Thomas Hoff Andersson announced his resignation on LinkedIn, stating he plans to go back home |P2

PANDEMIC PUSHES CENSUS, NPR EXERCISES OUT OF 2020

EXPRESS NEWS SERVICE
@ New Delhi

THE continued spread of coronavirus is expected to delay the first phase of the Census and the exercise to update the National Population Register (NPR), both of which were scheduled for this year.

Citing the worsening pandemic situation, officials said Census is not an essential exercise for now. "Even if it is delayed by a year, there would be no harm," a senior government functionary said.

While a final decision is yet to be taken, it is almost certain that both the Census and the NPR exercises won't begin in 2020, the officer indicated.

The house-listing phase of the Census and the NPR updation were earlier slated to be held between April 1 and September 30. "As the entire exercise needs the involvement of lakhs of officials and visit to each family, the health risk involved in it cannot be undermined," the official said.

LeT-LINKED CASE

'07 Glasgow bomber's brother held

EXPRESS NEWS SERVICE
@ Bengaluru

THE National Investigation Agency (NIA) has arrested a 38-year-old Bengaluru-based doctor in New Delhi after he was deported from Saudi Arabia. Dr Sabeel Ahmed was held in connection with the alleged 2012 Lashkar-e-Taiba (LeT) recruitment plot registered by the Bengaluru City Police.

Sabeel Ahmed is the younger brother of Kafeel Ahmed, an aeronautical engineer who carried out a failed suicide bombing at Glasgow Airport, Scotland, on June 29, 2007. Sabeel, who was in London, was deported to India the same year as he had not disclosed the plot though he had prior knowledge. In 2010, he had moved to Saudi Arabia and was working at King Fahad Hospital.

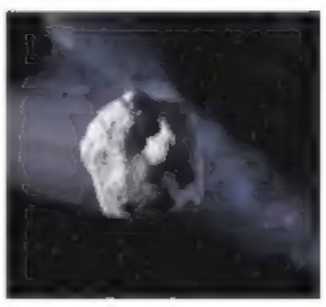
Sources said that he was arrested on Friday and brought to Bengaluru on Sunday. He will be produced before a court on Monday. P5

CLOSE ENCOUNTER

Coming tomorrow: Asteroid in Earth's kissing distance

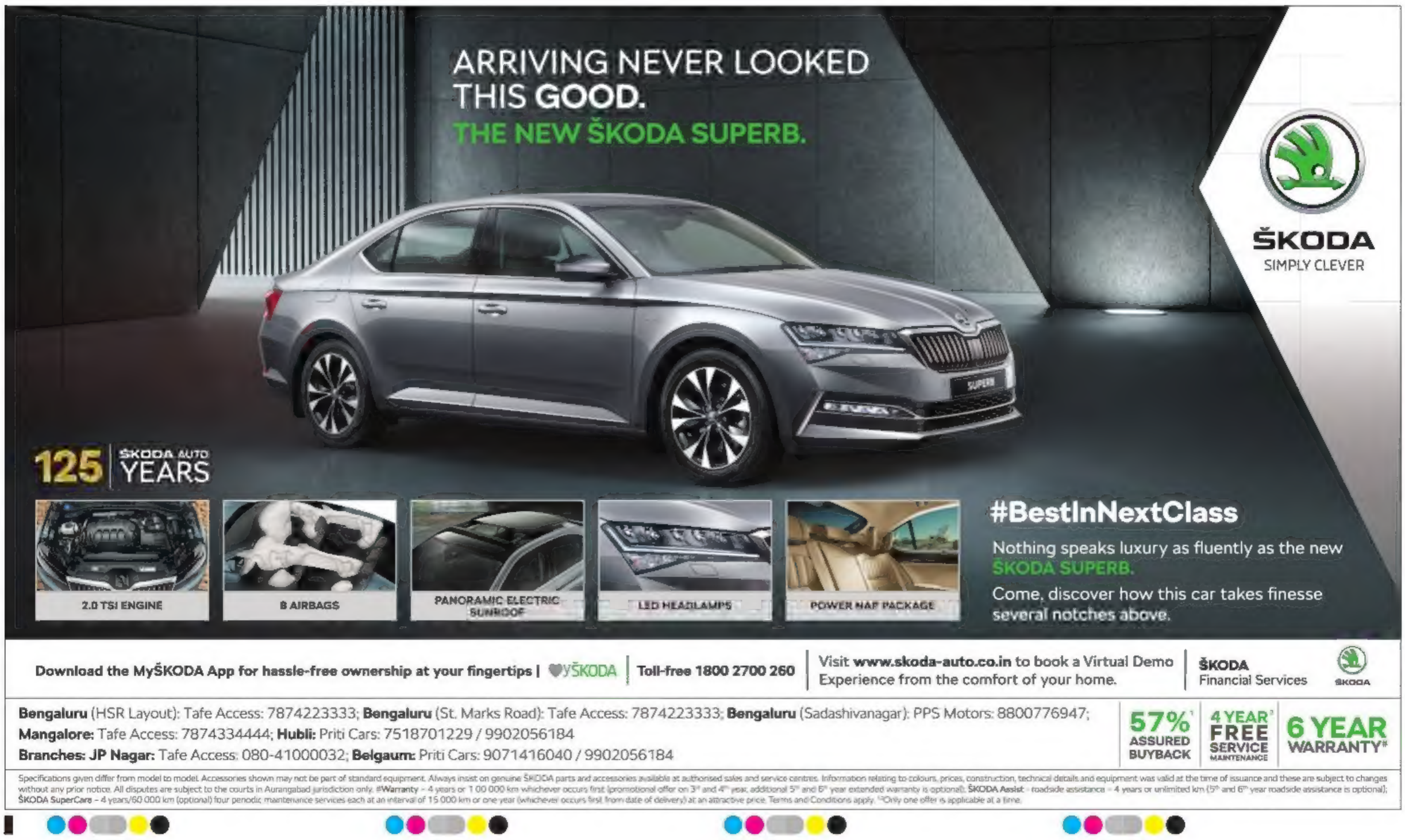
NIRAD MUDUR @ Bengaluru

AN astronomical event is about to unfold. A space rock (asteroid) of 30 metres in diameter is hurtling towards Earth at a speed of 29,520 kmph and will give Planet Earth a "close call" on September 1. But if you are worrying that this could be a catastrophic addition to the already existing woes induced by the prevailing Covid-19 pandemic, rest assured. The asteroid — named '2011ES4' — will not be impacting Earth, but will pass our planet at a distance of 1.28 lakh km.



Experts, however, say spotting the asteroid will be difficult by amateur astronomers as the asteroid, at such a huge distance, will not be emitting a tail like comets do.

The asteroid, which was discovered on March 2, 2011, has attracted much attention as even the distance from Earth when it passes by is astronomically considered "close". The same asteroid, 2011ES4, had given Earth an earlier fly-by on March 13, 2011, but that distance was fairly huge compared to the distance by which it will pass Earth this time. P5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